City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** AUGUST 25, 2026

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS:** ALL

SUBJECT: PROGRAM ADMINISTRATION AGREEMENT WITH FIRST COMMUNITY CAPITAL, INC. OF RIVERSIDE, CALIFORNIA, TO ADMINISTER AND MANAGE THE CITY OF RIVERSIDE REVOLVING LOAN FUND (RLF) FOR A FIVE-YEAR TERM, FOR AN AGREEMENT AMOUNT THAT INCLUDES $40,000 IN ADMINISTRATIVE PAYMENTS AND AUTHORIZES FIRST COMMUNITY CAPITAL, INC. TO MANAGE THE ADMINISTRATION OF THE CITY'S $135,000 CONTRIBUTION TO THE LOAN FUND

ISSUE:

Consider approving the Program Administration Agreement with First Community Capital, Inc. of Riverside, California, to administer and manage the City of Riverside Revolving Loan Fund (RLF) for a five-year term, for an agreement amount that includes $40,000 in administrative payments and authorizes First Community Capital, Inc. to manage the administration of the City's $135,000 contribution to the loan fund.

RECOMMENDATIONS:

That the City Council:

1. Approve the Program Administration Agreement with First Community Capital, Inc. of Riverside, California, to administer and manage the City of Riverside Revolving Loan Fund (RLF) for a five-year term, for an agreement amount that includes $40,000 in administrative payments and authorizes First Community Capital, Inc. to manage the administration of the City's $135,000 contribution to the loan fund;

2. Authorize the City Manager, or designee, to execute the Agreement, including minor non-substantive changes; and

3. Direct staff to proceed with program launch and implementation in coordination with FCCI.

COMMITTEE RECOMMENDATION:

This report is published on August 13, 2026, for the August 25, 2026, City Council meeting.

On August 20, 2026, the Economic Development Committee will hear this item for consideration to receive the staff report regarding authorization to execute program administration agreement with FCCI for the Riverside Greentech & Innovation Revolving Loan Fund.

If the Economic Development Committee recommends that the City Council approve the Program Administration Agreement with FCCI for administration of the Riverside GreenTech & Innovation Revolving Loan Fund, we respectfully request the City Council accept the committee's recommendation and authorize the City Manager, or designee, to execute the Agreement, including minor non-substantive changes, between the City of Riverside and FCCI.

BACKGROUND:

On October 27, 2025, the City received a $250,000 notice of award for the Catalyst Funding grant from Thrive Inland SoCal to support the Green Business Attraction and Incentive Program, with a portion of the award allocated to establish the Riverside GreenTech & Innovation Revolving Loan Fund. This fund is designed to support business attraction, retention, and expansion efforts in green technology, clean technology, and innovation-driven sectors.

This program benefits Riverside by keeping capital circulating locally, supporting climate aligned economic growth, prioritizing equity by serving entrepreneurs overlooked by traditional lenders, and strengthening Riverside's position as an innovation hub across all seven City Council wards, reinforcing the City's burgeoning reputation as the Global GreenTech Hub.

On January 22, 2026, staff presented an update to the Economic Development Committee with a proposed program overview on funding objectives and planned activities.

On January 27, 2026, the City Council accepted the Thrive Inland SoCal Catalyst grant award to the Grants and Restricted Programs Fund, Green Business Attraction and Incentive Program revenue and expenditure accounts for support of Green Business Attraction and Incentive Programs.

Since February, staff have worked to identify next steps, including development of an implementation plan for grant fund expenditures, as well as proposed program administration and eligibility requirements for the Revolving Loan Fund Program.

In alignment with the application submitted in 2025, an overview of the THRIVE Grant utilization and programming includes:

Currently allocated	Description	Amount
Revolving Loan Fund	Funds that will be administered by the operator for the Green Tech Revolving Loan Fund	$135,000
RFL Administrator cost	First Community Capital, Inc. to administer the Green Tech RLF for 5 years at $8,000 a year.	$40,000
Innovation Month Pitch	Local opportunity for start ups and businesses to pitch their innovation for an opportunity to win a cash prize and get in front of investors – primarily green tech companies.	$2,500

Marketing RLF (Riverside Incentives Brochure Print)	Marketing for the Green Tech Revolving Loan fund as an incentive and resource	$500
UCR EXCITE	Startup Acceleration/Incubation Program for green tech businesses	$25,000
Voltu Green Workforce Training Cohort	Tuition for 5 x 100 class hours, hands on application and skill development for Voltu Certified Technician Credential, an industry recognized certificate.	$37,500
Human Bulb Small Business Training	Green Tech Business Accelerator development trainings, including a 2 day bootcamp.	$10,000
GRAND TOTAL		**$250,000**

DISCUSSION:

The Riverside GreenTech & Innovation Revolving Loan Fund ("Program") will provide targeted financial assistance to green-technology and innovation-focused businesses located within the City. Under the Agreement, FCCI will serve as Program Administrator responsible for application intake, underwriting, loan documentation, servicing, collections, technical assistance delivery, and quarterly reporting.

FCCI is a federally certified Community Development Financing Institution (CDFI) headquartered in Riverside and has demonstrated expertise administering publicly -funded lending programs and delivering technical assistance to small businesses.

FCCI brings several strategic advantages that increase the Program's likelihood of success:

- *Proven lending and impact track record:* FCCI has originated 485 loans, deployed $5 million into communities, supported 240 jobs, and delivered 10,000+ hours of technical assistance.

- *Deep local ties and Riverside expertise:* FCCI maintains longstanding partnerships with local businesses, chambers of commerce, small business networks, and banks, capabilities that outside operators do not possess. They are also only one of two local- CDFIs.

- *Built-in wrap around support for borrowers-:* The Program participants benefit from FCCI's coaching, technical assistance, financial readiness training, procurement guidance, and climate market- insight services.

- *Ability to leverage City dollars:* FCCI targets a 1:8 leverage ratio, meaning every $1 contributed by the City has the potential to mobilize up to $8 in additional private and institutional capital for Riverside.

- *Public fund compliance expertise:* FCCI has successfully managed US Treasury CDFI

Fund capital, California Investment & Innovation Program (CAL IIP), and other public initiatives.

Loan Products and Terms:

The Program includes two TechStart loan products administered by FCCI:

- Startup Loan: Up to $10,000
- Existing Business Loan: Up to $20,000

Loan terms include a 6.25% interest rate, up to 5-year terms, fully amortizing schedules, and a UCC1 filing for collateral, which reflects industry standards. Borrowers may be charged a fee of up to 3% to cover loan documentation, processing, and costs to be enrolled in the California State Loan Guarantee Program.

Eligibility Requirements:

Startup Loan:
Eligibility review will include possession of a City business license, a business plan with three-year projections, financial documentation, including bank statements, two-years of personal tax returns, personal financial statement, and two forms of identification.

Existing Business Loan:
Eligibility review will include possession of a City business license, two-years of business tax returns, two-months of business and personal bank statements, interim financial documentation, two-years of personal returns, personal financial statement, and two forms of identification.

FCCI shall serve as the administrator of the Program and shall be responsible for application intake, underwriting, loan documentation, servicing, collections, technical assistance, and related operational functions, in each case in accordance with prudent CDFI practices and applicable law.

In evaluating applications, FCCI shall give priority consideration to:

(a) innovation-based companies;

(b) green-technology businesses;

(c) businesses demonstrating meaningful job creation within the City of Riverside;

(d) businesses operating across all seven (7) City Council wards; and

(e) technology-enabled startups.

Eligible Uses include equipment, technology systems, prototype development, working capital, market expansion, and certification/compliance expenses.

To qualify for financing under the Program, a business must, at the time of application and throughout the term of any loan extended, be physically located within the corporate limits of the City of Riverside, which shall remain the primary geographic focus of the Program. Consideration will also be given to businesses located within the broader Western and Southwestern Riverside County region consistent with the Program’s regional economic-development objectives as these funds were received from a grant.

FCCI is qualified to provide the desired services and has a successful track record of expanding access to capital and providing ongoing business support to emerging green technology and innovation businesses. Economic Development staff will establish periodic check-ins with FCCI to review applicants under review, loan funds administered, and ongoing business support for program participants. FCCI shall deliver to the City, no later than thirty (30) days following the close of each calendar quarter, a written report covering the activities of the Program during such quarter.

Purchasing Overview

This action is pursuant to Purchasing Resolution 24101, Section 702 which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances …(d) When the Procurement can only be obtained timely from a single source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

The Purchasing Manager concurs that the recommended action is compliant with Purchasing Resolution 24101.

FISCAL IMPACT:

The total fiscal impact of the annual fee is $8,000 per year, totaling $40,000 over the five-year term of the agreement. All costs related to this agreement are covered by the Catalyst Grant Award. Funds are budgeted and available in the Grants & Restricted Programs Fund, Green Business Incentive Program account 9933400-440309.

The annual flat operations fee of $8,000 will be paid from the grant funding and shall constitute FCCI's sole compensation for administering the Program, including application intake, underwriting, servicing, collections, reporting, compliance, technical assistance, ecosystem engagement, and all other operational responsibilities. All interest income shall remain within the Fund for reinvestment and shall not be used for administrative compensation.

Prepared by:	Evan Webb, Project Manager Jessica M. Gonzales, Senior Project Manager
Approved by:	Miranda Evans, Community and Economic Development Director
Certified as to availability of funds:	Julie Nemes, Finance Director
Approved by:	Thomas Hatch, Interim City Manager
Approved as to form:	James Johnson, City Attorney

Attachments:

1. Program Administration Agreement
2. Presentation